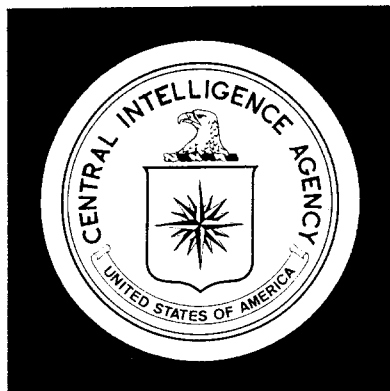


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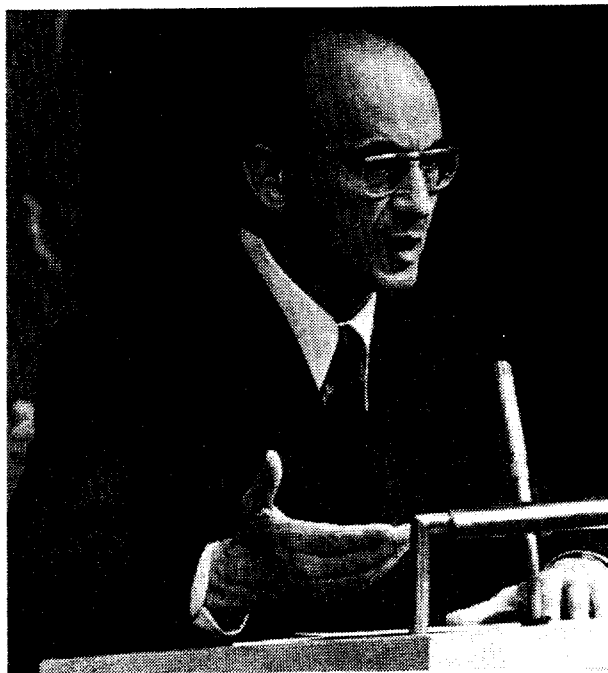
10. SCLC Created
10. Bolivia, Chile, Peru

SELA CREATED

The Latin American Economic System, a new scheme for economic integration among Latin and Caribbean governments, was established at a ministerial meeting in Panama on October 17. The process that led finally to its formal creation generated heightened sensitivity among the governments to each other's political needs as well as some new formulas for regional cooperation.

Headquarters of SELA will be Caracas, its secretary general is a former finance minister of Ecuador, and its starting administrative budget of \$400,000 will derive from a carefully contrived dues-paying system based on ability to pay. SELA was shaped as a fairly loose federation with modest long-range goals, minimal structure, and some concrete plans for joint enterprise.

The emergence of SELA as a forum for practical business and technical exchange among members is largely the result of the resistance by a bloc of nations to the visionary and ideologically inclined motivations of its original promoters. The



President Echeverria

notion of SELA was first advanced over a year ago by Mexican President Echeverria, more as a rhetorical flourish than a considered idea. Venezuela's President Carlos Andres Perez, a proponent of Latin unity, actively supported the concept. The highly nationalistic governments were attracted to the proposed organization by its exclusion of the US but inclusion of Cuba, and by the expectation of financial support from wealthy Venezuela. Brazil and several other countries feigned interest for the sake of Latin unity but were exceedingly reluctant to let themselves be trapped in yet another controversial Third-World association whose principal function might be to rail against the US.

Rather than rolling with the political tide that had often swept them into unanimous positions and resolutions with which they felt uncomfortable, the governments of Brazil, Uruguay, Argentina and others industriously participated in the negotiations preparatory to SELA's founding. They insisted on rules to prevent SELA's decisions from becoming obligatory, they demanded specific goals for the organization, and they offered various drafts of charter language and development proposals. The candid exchange of views created an atmosphere of cooperation and positive thinking, so that the large majority of the members have come to view SELA as a business-like association for formulating regional strategy, setting up multinational corporations, funding regional transportation and communication systems, and other practical ventures.

The experience is likely to attract the interest of the less assertive governments in playing a more active role in regional affairs. For the lighter weight pretenders to regional leadership, the experience may prompt some sober thoughts about the wisdom of introducing confrontational issues into regional bodies in view of the sharp political differences produced by the Echeverria-Lopez initiative and the unlooked for concern expressed by some countries over the appearance of institutionalized antagonism toward the US.